



Los Angeles County
Board of Supervisors

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*



www.dhs.lacounty.gov

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 July 7, 2015

PATRICK O'GAWA
ACTING EXECUTIVE OFFICER

July 07, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement or Impacted Hospital Program (IHP). The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

(1) Account Number LAC+USC – Various \$ 4,900

Patients who received medical care at non-County facilities:

(2) Account Number EMS – P-77 \$ 604

(3) Account Number EMS – 577 \$ 5,000

(4) Account Number EMS – 579 \$ 5,000

(5) Account Number EMS – 578 \$ 13,500

(6) Account Number IHP – 200653344 \$ 3,600

Total All Accounts: \$ 32,604

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offer of settlement for patient account (1) is recommended because the patient is unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in this case.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient accounts (2) - (6) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency or trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$32,604.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma and IHP Funds.

Respectfully submitted,

A handwritten signature in black ink, reading "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.
Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: JULY 7, 2015

Total Gross Charges	\$46,370	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$46,370	Date of Service	Various
Compromise Amount Offered	\$4,900	% Of Charges	11 %
Amount to be Written Off	\$41,470	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$46,370 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and the attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$200	\$200	1 %
H-UCLA Medical Center *	\$46,370	\$4,900	32 %
Other Lien Holders *	\$3,686	\$2,562	18 %
Patient	-	\$2,338	16 %
Total	-	\$15,000	100 %

* Lien holders are receiving 50% of the settlement (32% to Los Angeles County and 18% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: JULY 7, 2015

Total Charges (Providers)	\$7,175	Account Number	EMS P-77
Amount Paid to Provider	\$1,576	Service Type / Date of Service	Inpatient & Outpatient 4/22/2011 - 5/1/2011
Compromise Amount Offered	\$604	% of Payment Recovered	38 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Northridge Hospital Medical Center and incurred total inpatient and outpatient gross charges of \$7,175 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$1,576. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$3,500	23 %
Attorney cost	\$455	\$455	3 %
Other Lien Holders *	\$128,273	\$8,341	56 %
Los Angeles County *	\$7,175	\$604	4 %
Patient		\$2,100	14 %
Total		\$15,000	100 %

* Lien holders are receiving 60% of the settlement (4% to Los Angeles County and 56% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 38% (\$604) of amount paid to Northridge Hospital Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: JULY 7, 2015

Total Charges (Providers)	\$52,705	Account Number	EMS 577
Amount Paid to Provider	\$6,675	Service Type / Date of Service	Outpatient 10/22/2011
Compromise Amount Offered	\$5,000	% of Payment Recovered	75 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Holy Cross Hospital and incurred total outpatient gross charges of \$52,705 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,675. The patient's third-party claim has been settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (25,000)
Attorney fees	\$8,333	\$8,333	33 %
Attorney Cost	\$850	\$850	3 %
Other Lien Holders *	\$10,646	\$4,675	19 %
Los Angeles County *	\$52,705	\$5,000	20 %
Patient		\$6,142	25 %
Total		\$25,000	100 %

* Lien holders are receiving 39% of the settlement (20% to Los Angeles County and 19% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 75% (\$5,000) of amount paid to Holy Cross Hospital.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: JULY 7, 2015

Total Charges (Providers)	\$300,590	Account Number	EMS 579
Amount Paid to Provider	\$55,712	Service Type / Date of Service	Inpatient and Outpatient 8/4/2012 - 8/17/2012
Compromise Amount Offered	\$5,000	% of Payment Recovered	9 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Cedars Sinai Medical Center and incurred total inpatient and outpatient gross charges of \$300,590 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$55,712. The patient's third-party claim has been settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$25,000)
Attorney fees	\$8,333	\$8,333	33%
Attorney Cost	\$2,345	\$2,345	10 %
Other Lien Holders *	\$755	\$755	3 %
Los Angeles County *	\$300,590	\$5,000	20 %
Patient		\$8,567	34%
Total		\$25,000	100 %

* Lien holders are receiving 23% of the settlement (20% to Los Angeles County and 3% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 9% (\$5,000) of amount paid to Cedars Sinai Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: JULY 7, 2015

Total Charges (Providers)	\$424,886	Account Number	EMS 578
Amount Paid to Provider	\$45,672	Service Type / Date of Service	Inpatient & Outpatient 10/9/2011 - 10/19/2011
Compromise Amount Offered	\$13,500	% of Payment Recovered	30 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Holy Cross Hospital and incurred total inpatient and outpatient gross charges of \$424,886 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$45,672. The patient's third-party claim has been settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$16,667	\$16,667	33 %
Other Lien Holders *	\$26,044	\$4,467	9 %
Los Angeles County *	\$424,286	\$13,500	27 %
Patient		\$15,366	31 %
Total		\$50,000	100 %

* Lien holders are receiving 36% of the settlement (27% to Los Angeles County and 9% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 30% (\$13,500) of amount paid to Holy Cross Hospital.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: JULY 7, 2015

Total Charges (Providers)	\$19,885	Account Number	200653344 (Impacted Hospital Program)
Amount Paid to Provider	\$428	Service Type / Date of Service	Inpatient 5/2/2013 - 5/8/2013
Compromise Amount Offered	\$3,600	% of Payment Recovered	841 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient gross charges of \$19,885 for medical services rendered. The provider has received payment from the Los Angeles County Impacted Hospital Program (IHP) in the amount of \$428. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's fees	\$5,476	\$5,476	37 %
Los Angeles County *	\$19,885	\$3,600	24 %
Other lien holders *	\$6,512	\$1,400	9 %
Patient	-	\$4,524	30 %
Total	-	\$15,000	100 %

* Lien holders are receiving 33% of the settlement (24% to Los Angeles County and 9% to others).

As stated in the IHP agreement, reimbursement to providers is for Emergency Room (ER) and Inpatient Services provided to eligible indigent patients.

Proposed settlement reimburses the IHP fund 841% (\$3,600) of amount paid to St. Francis Medical Center (\$428).